IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION

INCOME TAX REFERENCE NO.815 OF 1998

The Commissioner of Income-tax,
Central - I, Bombay .. Applicant.
V/s.
Bombay Tyres International Ltd. .. Respondent.

Mr.A.S. Rao i/b. Mr.Pankaj Kapoor for the applicant.

CORAM : V.C. DAGA &
J.P. DEVADHAR, JJ.

DATED : 5TH APRIL, 2005.

P.C. :

1. Heard the learned counsel for the applicant. The Tribunal has referred the question for the opinion of this Court reading as under :-

> Whether in the facts and in the circumstances of the case, the Tribunal was justified holding that the allowable expenditure in respect of salary and perquisites to the employee-directors of the assessee company has to be determined in terms of section 40(c) and not in terms of section 40A(5)(c) of the Income-tax Act, 1961 ?

2. The above question has already been answered by the Division Bench of this Court in the case of **CIT V/s. Hico Products Pvt.Ltd. (No.1) [(1993) 201 I.T.R. 567 (Bom)]** in favour of the assessee and against the revenue. In this view of the matter, question stands answered in affirmative for the reasons stated in the case of Hico Products (P) Ltd. Reference, accordingly stands disposed of with no order as to costs.

* * * * * * * * *